

Bryce Yokomizo  
Director

May 13, 2003

The Honorable Board of Supervisors  
County of Los Angeles  
500 West Temple Street  
383 Kenneth Hahn Hall of Administration  
Los Angeles, California 90012

Dear Supervisors:

**RECOMMENDATION TO AUTHORIZE THE EXECUTION OF  
AMENDMENT NUMBER SIX TO THE LEADER INFORMATION TECHNOLOGY  
AGREEMENT WITH UNISYS CORPORATION TO IMPLEMENT MEDI-CAL  
CHANGES AND THE WELFARE DATA TRACKING IMPLEMENTATION PROJECT  
(WDTIP) INTERFACE (ALL DISTRICTS – 3 VOTES)**

**JOINT RECOMMENDATION WITH THE CHIEF INFORMATION OFFICER THAT  
YOUR BOARD:**

Approve and instruct the Chair to sign the attached Amendment Number Six to County Agreement Number 68587 with Unisys Corporation ("Unisys") to increase the Total Maximum Contract Sum by \$11,616,479, to initiate and complete the following: (1) modifications and testing of the LEADER Application Software for (i) 1931(b) Medi-Cal; (ii) Continuous Eligibility for Children (CEC); (iii) Medi-Cal Mail-In Applications; and (iv) Welfare Data Tracking Implementation Project (WDTIP) interface; (2) upgraded LEADER System testing environment for the Central Site; and, (3) expansion of hardware and software to support these modifications. This Amendment shall be executed only after County has received written notice that the State and federal governments have approved Amendment Number Six.

The execution of the Amendment will increase the Total Maximum Contract Sum from \$159,894,540 to \$171,511,019. The additional \$11,616,479 will be subvented by State and federal revenue. The Net County Cost (NCC) for FY 2002-03 is \$169,030 and is included in the FY 2002-03 Adopted Budget. There is no NCC for FY 2003-04.

## **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of this recommended action is to modify the LEADER Agreement to incorporate the following four major application software modifications to conform to State and federal mandates, and to bring Los Angeles County into compliance with new State Medi-Cal regulations. The major steps include determining system requirements, developing design specifications, coding and unit testing all the programs, system and regression testing the LEADER System after the major modifications have been completed, and implementation of the major modifications.

### **1931(b) Medi-Cal**

1931(b) Medi-Cal establishes a new mandatory coverage group of low-income families who meet the provisions of the July 16, 1996 AFDC requirements for income, resources and deprivation. This group includes families and children who receive CalWORKs (cash-based 1931(b)), as well as families and children who are not receiving CalWORKs but do meet specified income, resource and deprivation criteria (1931(b) Medi-Cal Only). This zero share of cost program makes Medi-Cal available to a larger number of our medically needy population.

### **Medi-Cal Mail-In Applications**

This new mandate enables families to submit Medi-Cal applications through the mail. These applications provide significantly less data than the standard Medi-Cal applications. The LEADER System is not currently designed to accept the data and determine Medi-Cal eligibility. This modification will enable the LEADER System to process Medi-Cal applications in accordance with current regulations.

### **Continuous Eligibility for Children (CEC)**

This new mandate extends zero share-of-cost Medi-Cal eligibility (up to a 12-month period), for certain children under the age of 19, who would otherwise receive a share of cost. During the CEC guaranteed period, any changes in the family's financial eligibility that would cause the child to have a share-of-cost or be totally ineligible, are to be disregarded for the child.

### **Welfare Data Tracking Implementation Project (WDTIP) Interface**

The State's Welfare Data Tracking Implementation Project (WDTIP) provides counties the automated functionality required to conform to statewide tracking of time-on-aid requirements mandated by federal and State welfare reform. It provides California counties with statewide data that allows accurate determination of one-time and ongoing eligibility for CalWORKs applicants and recipients.

### **Technology**

In addition to the four major modifications described above, the LEADER System testing environment for the Central Site will be upgraded. The technology at the LEADER Project Management Office will be expanded to provide additional hardware and software for the additional development staff. Both the upgraded testing environment for the Central Site and the expanded hardware and software for the LEADER Project Management Office are required to complete the major application software modifications for Amendment Number Six as well as continued support of the LEADER System.

### **Implementation Of Strategic Plan Goals**

Amendment Number Six is consistent with the principles of County Strategic Plan Goal #1: Service Excellence of the Countywide Strategic Plan for improving quality of service and organizational effectiveness. In addition, the Amendment is consistent with DPSS' objectives for increasing the efficiency and effectiveness of departmental programs through expanded information technology and communications.

Expansion of the LEADER System is part of the DPSS Business Automation Plan.

### **FISCAL IMPACT/FINANCING**

Amendment Number Six increases the current Total Maximum Contract Sum of the LEADER Agreement from \$159,894,540 to \$171,511,019.

### **Costs for Fiscal Year 2002-03**

The total estimated costs for Amendment Number Six in FY 2002-03 are \$2,234,760 and are included in the FY 2002-03 Adopted Budget. The costs associated with the 1931(b) Medi-Cal, Continuous Eligibility for Children (CEC), and Medi-Cal Mail-In Applications are fully subvented by State and federal revenue. The costs associated with the Technologies result in an estimated NCC of \$169,030 which is included in the FY 2002-03 Adopted Budget.

#### **Costs for Fiscal Year 2003-04**

The total estimated costs for Amendment Number Six for FY 2003-04 are \$9,381,719 and are included in the FY 2003-04 Proposed Budget. These costs are for the 1931 (b) Medi-Cal, Continuous Eligibility for Children (CEC), Medi-Cal Mail-In Applications, and the Welfare Data Tracking Implementation (WDTIP) projects and are fully subvented by State and federal revenue. Therefore, there is no NCC impact.

#### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

This is Amendment Number Six to County Agreement Number 68587 between the County and Unisys approved by your Board on September 12, 1995. This Amendment shall be executed only after County has received written notice that the State and federal governments have approved Amendment Number Six. Sufficient funding is included in the FY 2002-03 Adopted Budget to execute the Amendment. The continuation of this Amendment in FY 2003-04 is contingent upon receipt of State and federal funding.

The Statement of Work (Exhibit A) to Amendment Number Six contains the detail to design, develop and implement the major modifications, and the Amendment includes a breakdown of the costs that total the requested \$11,616,479. All work will be warranted through April 30, 2005, the end of the Initial Term of the LEADER Agreement. Payment to Unisys for the work and services for the major modifications will be made upon completion and acceptance of each deliverable at the price set for each deliverable less a 15% withhold.

There will be a one-time payment for the upgraded LEADER System testing environment for the Central Site and a one-time payment for the additional hardware and software for the additional development staff at the LEADER Project Management Office, after completion of these two deliverables.

This Amendment was negotiated and prepared by DPSS staff and reviewed and approved as to form by County Counsel. As with the existing LEADER Agreement and its previous amendments, Mitchell, Silberberg & Knupp LLP also reviewed and commented on the Amendment Number Six in accordance with your Board's policy regarding technology contracts. Additionally, State and federal stakeholders were involved in the review and clearance process and their comments have been incorporated.

This is not a Prop A contract and accordingly is exempt from the requirements of the Living Wage Ordinance.

## **Amendment Provisions**

Following is a summary of the major provisions of Amendment Number Six:

- **1931(b) Medi-Cal:** This Amendment provides \$4,657,501 for the design, modification, testing and implementation of 1931(b) to the LEADER Application Software.
- **Medi-Cal Mail In Applications:** This Amendment provides \$1,558,650 for the design, modification, testing and implementation of Medi-Cal Mail-in Applications to the LEADER Application Software.
- **Continuous Eligibility for Children (CEC):** This Amendment provides \$1,213,042 for the design, modification, testing and implementation of CEC to the LEADER Application Software.
- **Welfare Data Tracking Implementation Project (WDTIP) Interface:** This Amendment provides \$2,988,960 for the design, modification, testing and implementation of the WDTIP interface.
- **Technology:** This Amendment provides \$769,232 to provide, operate and maintain an upgraded LEADER System testing environment for the Central Site. This Amendment provides \$429,094 to provide, operate and maintain the additional hardware and software for the additional development staff required for the LEADER Project Management Office to complete the major application software modifications for Amendment Number Six as well as continued support of the LEADER System.
- **Safely Surrendered Baby Law** – The County's standard contract language requiring contractors to notify their employees regarding the Safely Surrendered Baby Law is added in this Amendment.
- **Recycled Bond Paper** - The County's standard contract language requiring contractors to use recycled-content paper to the maximum extent possible on this Agreement is added in this Amendment.

## **CONTRACTING PROCESS**

Unisys was selected via a competitive solicitation. On September 12, 1995 your Board awarded a 7.5-year contract (with the option for two additional years) to Unisys to provide an automated welfare system within 42 months and to operate the system for an additional 48 months. Amendment Number Three and Amendment Number Four approved by your Board extended the 7.5-year contract term by two years to April 30, 2005, making the Initial Term of the Agreement 9 years and 6 months.

*The Honorable Board of Supervisors*  
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**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The execution of Amendment Number Six augments the LEADER System by expanding the system's capability and enhancing services to the participant population.

**CONCLUSION**

Upon receipt of State and federal approvals and funding of this Amendment, DPSS will notify the Executive Officer, Board of Supervisors, and request the return of three (3) original signed copies of this Amendment and one (1) adopted stamped Board Letter to the Department of Public Social Services.

Respectfully submitted,

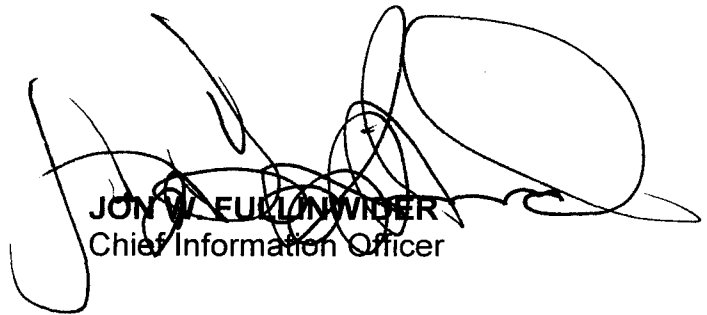


**BRYCE YOKOMIZO**  
Director

BY/JWF:pcr

Attachments

c: Executive Officer, Board of Supervisors  
Chief Administrative Officer  
County Counsel  
Auditor-Controller  
Chair, Information Systems Commission



**JON W. FURLINWIDER**  
Chief Information Officer